

Regular Meeting Minutes

May 22, 2017 – 5:30 pm

Orange County Water Control & Improvement District No. 1 Board Room
460 E Bolivar Street, Vidor, Texas

Robert Viator.....President
Frank Inzer.....Vice President
Tim Beard.....Secretary
Trey Haney.....Director
Guy Groves.....Director
Norman Blackman.....General Manager
David LeJune.....Operations Manager

In accordance with Section 551.042 of the Texas Government Code, this agenda has been posted in the lobby and on the front door of the Orange County Water Control & Improvement District No. 1 Administrative office for the time required by law. The President requests that all cell phones and pagers be turned off or set to vibrate.

Members of the audience are requested to step outside the Board Room to respond to a page or to conduct a phone conversation.

The O.C.W.C & I.D #1 Administrative office is wheelchair accessible. Sign interpretation or other special assistance for disabled attendees must be requested 48 hours in advance by contacting the General Manager's Office at 409.769.2669.

CALL MEETING TO ORDER

President Viator called the meeting to order at 5:30 p.m.

ANNOUNCE THE PRESENCE OF A QUORUM

President Viator announced the presence of a quorum.

MEMBERS PRESENT

President Viator, Vice President Inzer and Director Groves were present.

MEMBERS ABSENT

Secretary Beard and Director Haney were absent.

STAFF PRESENT

General Manager Norman Blackman, Operations Manager David LeJune, Director of Finance and Office Administration Chris Serres, and District's Attorney Larry Hunter were present.

OTHERS PRESENT

Jeff Scoggin and Toby Davis of LJA Engineering, Inc. and George Garza with The Vidorian Newspaper were all in attendance.

INVOCATION AND PLEDGES

Invocation was given by Vice President Inzer and Pledges were led by Director Groves.

MEETING AGENDA

1. Citizen comments.

There were no citizen's comments.

2. Consideration and possible action regarding LJA Engineering, Inc. Monthly Status Report concerning ongoing District projects.

Jeff Scoggin presented LJA Engineering Monthly Status Report as follows:

Project 6200A – Wastewater Treatment Plant

The construction portion of this project has been completed.

Progress has been made on the OM manual for the WWTP. They are hoping to have a draft to the District soon.

Project 6560C – Surplus Funds Water System Improvements Project (Contract No. 1 – Cast Iron Water Line Replacement of Contract No. 2 – Water Well Sites Improvements)

Contract No 1:

The contractor installed approximately 1,625 LF of 3" water line and approximately 90 water service connections this pay estimate.

Contract No. 2:

All of the electrical components and the pumps have been delivered. The contractor has coordinated with the District to begin work on Well No. 7 and is in the process of coordinating the electrical work with the District's SCADA contractor to minimize the down time of Well No. 7. They are scheduled to begin work next Tuesday, May 30, 2017. Once work at Well No. 7 is completed, it will be put back into service and the contractor will shut down Well No. 4.

Project 6560D – Surplus Funds Sanitary Sewer System Improvements Project (Contract No. 4 – Sanitary Sewer Lift Station Rehabilitation Project)

LJA's efforts this month were concentrated on the water improvements projects.

Project 6560E Surplus Funds Water and Sewer Service Extensions Project (Contract No. 3 – Water and Sanitary Sewer Service Extension Project)

LJA's efforts this month were concentrated on the water improvements projects.

Toby Davis reported on Project B877-1001 – Well Site 7 TTHM Treatment System as follows:

The engineer's did receive the approval from TCEQ. Plans are complete and advertising began last Friday, May 19, 2017. Pre-bid conference is this Thursday, May 24, 2017. The bid opening will be June 8, 2017. They will be ready to award contract by June 19, 2017 meeting.

A motion was made by Director Groves and seconded by Vice President Inzer that LJA Engineering, Inc. monthly status report is accepted as presented. All Voted Aye.

3. Consideration and possible action regarding approval of LJA Engineering, Inc. monthly invoices for District projects as listed:

Invoice No. 201704335 in the amount of **\$4,623.00** for Project No. 6560C – Surplus Funds Water System Improvements Project; **Invoice No. 201704336** in the amount of **\$7,530.00** for Project No. B877-1001 – Well Site 7 TTHM Treatment System; **Invoice No. 201704358** in the amount of **\$1,815.00** for Project No. B877-6282 – General Services; for a **Grand Total** of **\$13,968.00**.

A motion was made by Vice President Inzer and seconded by Director Groves to approve payment of LJA Engineering, Inc. invoices as presented. All Voted Aye.

4. Consideration and possible action regarding approval of McInnis Construction, Inc. **Monthly Estimate No. 8** in the amount of **\$86,741.70** for Contract 1 – Water Line Replacement Project.

Jeff Scoggin re-capped the installation of materials and receipt of materials for the project.

A motion was made by Director Groves and seconded by Vice President Inzer to approve payment of Pay Estimate No. 8 in the amount of \$86,741.70 to McInnis Construction, Inc. All Voted Aye.

5. Consideration and possible action regarding approval of Brystar Contracting, Inc. **Monthly Estimate No. 4** in the amount of **\$92,019.60** for Contract 2 – Water Wells 4, 5, & 7 Improvements.

Jeff Scoggin explained the pay estimate was not for work done but for materials on hand added in the amount of \$102,244.00 minus the 10% retainage for the project.

A motion was made by Director Groves and seconded by Vice President Inzer to approve payment of Pay Estimate No. 4 to Brystar Contracting, Inc. in the amount of \$92,019.60. All Voted Aye.

6. Consideration and possible action to approve the plans and specifications for the City of Pine Forest, First Time Water & Sanitary Sewer Service Project, CDBG Project No. 7216370.

Norman Blackman reported that due to City of Pine Forest and the District meeting schedules being different, this has already been sent to advertise for bids by the City of Pine Forest.

Toby Davis reported that 11 homes are to receive water and sewer service. Their septic systems will be abandoned and they will be taken off their wells. There is about 2,200-2,400 feet from where they start to where they end, there will be 1 to 2 hydrants and some valves installed, and other various fittings and will serve 11 homes with new connections.

Norman Blackman clarified that these are homes that qualified for the grant and there are other homes along the route that will no doubt add on later. We will probably almost double the number of customers.

Toby Davis stated that this also is laying the groundwork for the next grant.

A motion was made by Vice President Inzer and seconded by Director Groves to approve plans and specifications for the City of Pine Forest, First Time Water & Sanitary Sewer Service Project, CDBG Project No. 7216370. All voted Aye.

7. Consideration and possible action regarding a proposed Non-Domestic Sewer Service Agreement with Trinity Rail Maintenance Services, Inc., formerly known as Trinity Railcar Repair, Inc., for a commercial facility at 1815 South Main, Vidor, Texas.

Rick Masters put together an agreement based on TCEQ requirements. He had to add indemnity. Larry Hunter reported that he wanted to include a deed of record. Larry Hunter wanted a guaranty that no hazardous substances were discharged into the District's lines and to indemnify the District, solely if they violated the service agreement.

A motion was made by Director Groves and seconded by Vice President Inzer to approve a Non-Domestic Sewer Service Agreement with Trinity Rail Maintenance Services, Inc., formerly known as Trinity Railcar Repair, Inc., for a commercial facility at 1815 South Main, Vidor, Texas and to authorize President Viator and Secretary Beard to sign agreement as soon as we receive duplicate originals signed by customer. All voted Aye.

8. Consideration and possible action regarding approval/amendments for the minutes of the April 17, 2017 Regular Board Meeting.

A motion was made by Vice President Inzer and seconded by Director Groves to approve the minutes of the April 17, 2017 Regular Board Meeting. All Voted Aye.

9. Board Member comments.

There were no Board Member comments.

10. Consideration and possible action regarding General Manager's monthly status and financial report.

Norman Blackman presented the Manager's Monthly report as follows:

Trihalomethanes – The air stripper project for Water Well No. 7 has been advertised for bidding, and bids will be opened on June 8, 2017.

A quarterly letter will be mailed to our customers on June 15, 2017 notifying them of continuing TTHM violations as required by TCEQ rules. This past quarter our TTHM

readings exceeded the 80 parts per billion (ppb) maximum limits at two of the four testing locations in our distribution system. Those readings were 82 ppb and 91 ppb.

- **TCEQ SSO Initiative Agreement** – We were approved by TCEQ for continued participation in the SSO Initiative. We will have 180 days to develop a plan of action for TCEQ approval. Norman Blackman stated that he may need to enlist the assistance of the engineers to develop a plan of action.
- **Develop an Additional Field Crew for I/I Reduction and Line Extensions** – We are still working on this idea. By the June Board Meeting we will offer a plan for acquisition of equipment and tools necessary for an additional crew. We will likely seek additional personnel by advertising or use of employment agencies.
- **Financial Report – Presented by Chris Serres** – Our billing was is up this month above the projected billing and month to date we are still above our projected billing for the year. All of our bank statements are balanced to the penny. We have money in all of our accounts, if there are any questions about the accounts she will be glad to answer.

Chris Serres gave an overview of the accounts for the month followed by the Budget Comparison Report.

For the month our revenues were \$347,426.00 and our expenditures were \$285,523.00, meaning we brought in \$61,903.00 more than we spent this month. Chris Serres then reported on the lines items that were over budget for the year.

We have earned a total of \$4,363.72 in interest for the month. This is a little higher than last month due to the interest rates have increased this month.

- **Operations Manager – Presented by David LeJune** - Water pumped to system is 34,351,000 gallons, water accounted for was 30,874,000 gallons which leaves a percentage unaccounted for of 10.12%. Wastewater treated at plants was 50,861,000 gallons. Water jobs performed were a total of 268, while wastewater job performed were 47, for a total of 315 jobs.

A motion was made by Director Groves and seconded by Vice President Inzer to accept the Manager's report as presented. All Voted Aye.

11. Consideration and possible action regarding payment of the District's monthly bills.

A motion was made by Vice President Inzer and seconded by Director Groves to approve payment of monthly bills as presented. All Voted Aye.

12. Consideration and possible action regarding the 2017/2018 Fiscal Year Operating Budget for the District.

Vice President Inzer gave an overview of 2017/2018 Fiscal Year Budget projections adding that there are no proposed rate increases for the upcoming Budget year. He stated that the budget is proposed based on historical data from previous years and that the proposed figures are in line with previous data.

President Viator recommended the Board accept proposed Budget.

A motion was made by Vice President Inzer and seconded by Director Groves to accept the proposed 2017/2018 Budget as presented. All Voted Aye.

13. Consideration and possible action regarding Wathen, DeShong & Juncker, LLP Initial Communication Audit Engagement Letter for the Fiscal Year ending 06/30/2017.

President Viator asked Chris Serres if she was confident with Wathen, DeShong & Juncker as the auditors for the District. She stated that she was and would recommend them as the auditors for the Fiscal Year ending 06/30/2017.

A motion was made by Director Groves and seconded by Vice President Inzer to approve Wathen, DeShong & Juncker, LLP as the auditors for the Fiscal Year ending 06/30/2017. All Voted Aye.

President Viator called for an Executive Session to discuss personnel at 6:40 p.m.

The Executive Session adjourned and the Regular Meeting reconvened at 7:10 p.m.

President Viator announced that no action was needed and that the Executive Session was for informational purposes only.

14. Adjournment.

A motion was made by Vice President Inzer and seconded by Director Groves that meeting be adjourned at 7:15 p.m. All Voted Aye.



Robert Viator, President



Frank Inzer, Vice President